# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)	
	)	
Revision of the Commission's Rules	)	CC Docket No. 94-102
To Ensure Compatibility with	)	
Enhanced 911 Emergency Calling Systems	)	
	)	

# SPRINT QUARTERLY E911 IMPLEMENTATION REPORT

Luisa L. Lancetti Vice President, PCS Regulatory Affairs Sprint Corporation 401 9<sup>th</sup> Street, N.W., Suite 400 Washington, D.C. 20004 202-585-1923

Charles W. McKee General Attorney Sprint Corporation 6450 Sprint Parkway Mail Stop: KSOPHN0212-2A553 Overland Park, KS 66251 913-315-9098

## TABLE OF CONTENTS

Sumn	nary		ii			
I.	Introd	luction	1			
	A. L	EC and PSAP Preparedness	2			
	В. Н	andset Penetration	5			
II.	Curre	nt Status of Phase I and II Requests	6			
	A. Pl	nase I Status	6			
	B. Pl	nase II Status	8			
III.	Curre	nt Handset Sales	12			
IV.	Compliance With Outstanding Benchmarks					
V.	Affid	Affidavit Requirement				
VI.	Likelihood of Failure					
VII.	Concl	usion	16			
Apper	ndices					
	A.	Deployed Phase I Requests				
	B.	Phase I Requests Pending Less Than 6 Months				
	C.	Phase I Requests Pending More Than 6 Months				
	D.	Phase I Requests on Hold				
	E.	Phase II Requests				
	F.	Declaration of Dennis G. Huber, Senior Vice President – Operations, Sprint				

#### **SUMMARY**

Sprint Corporation, on behalf of its wireless division, reports its continued progress in Phase II implementation. Sprint's entire nationwide PCS network is now Phase II compatible and Sprint is proceeding with the deployment and launch of live Phase II services where both the LEC and PSAP are prepared to move forward. During the third quarter of 2002, Sprint continued to reach new milestones, including:

- Introduction of six additional GPS enabled handset models for a total of ten different GPS-capable handsets available to customers.
- The sale of over 1.6 million GPS-enabled handsets (for a total of over 3.2 million such handsets sold since last October).
- The launch of Phase II service for 73 PSAPs. Launch has been completed for the State of Rhode Island, St. Claire County, Illinois, Bond County, Illinois, Lake County, Indiana, and Delaware County, Pennsylvania.
- Testing in Harris County, Texas revealed some technical challenges but these are expected to be resolved soon, and service in Harris County should commence shortly. Johnston County, North Carolina and Peoria, Illinois are in the final stages of Phase II implementation, and commercial launch is expected shortly.
- Installation of 107 additional Phase I systems.

Sprint continues to face challenges, however. As noted in previous reports, LEC and PSAP preparedness have had a significant impact on Sprint's ability to launch Phase II services within its original schedule. While recent FCC action confirming the obligations of PSAPs, LECs and wireless carriers should assist the process, some delay continues as LECs address their cost recovery needs. Once these issues are resolved, there will be a substantial backlog of requests to be processed and implementation efforts pursued.

In the third quarter of 2002, Sprint suffered a net loss of 78,000 customers. This unexpected downturn in net additions reflects a substantial slowing of customer growth and impacted the nature and number of handset sales. GPS handset penetration rates did not meet the levels expected. While 48% of handsets sold to distribution channels during the third quarter were GPS enabled, only 22% of activations were GPS. While the trend in GPS activations is expected to increase at a rapid rate given the introduction of additional GPS handset models, based on recent market developments, Sprint does not expect to reach the 100 percent penetration level set for December 31, 2002. Sprint will continue to aggressively pursue GPS handset activation activities.

Sprint continues to be a leader in E911 deployment efforts, being the first carrier to launch a handset-based Phase II location system that serves the state of Rhode Island, and being the first – and only – wireless carrier to begin selling GPS handsets by October 1, 2001. As Sprint has continually advised the Commission, however, it does not have control over all factors impacting Phase II deployment. Notwithstanding these challenges, Phase II services are being deployed in a number of Sprint markets, and the company will continue its efforts to deploy Phase II service throughout its nationwide network.

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)	
	)	
Revision of the Commission's Rules	)	CC Docket No. 94-102
To Ensure Compatibility with	)	
Enhanced 911 Emergency Calling Systems	)	
	)	

# SPRINT QUARTERLY PHASE II IMPLEMENTATION REPORT

Sprint Corporation, on behalf of its wireless operating company, Sprint Spectrum L.P., d/b/a Sprint PCS ("Sprint"), submits its fourth Quarterly Phase II Implementation Report in compliance with the Commission's October 12, 2001 *Sprint Waiver Order*.<sup>1</sup>

#### I. Introduction

Sprint has sold over 3.2 million GPS-enabled handsets to date. All required network upgrades have been completed nationwide, <u>ahead</u> of the Commission's deadlines. Most importantly, Sprint has successfully launched five Phase II markets that are now operating with live Phase II service and three additional markets are expected to be launched shortly.

Although it continues to lead the industry in Phase II E911 deployment, Sprint faces two substantial challenges. First, as Sprint has repeatedly noted to the Commission, LEC delays in upgrading their landline networks to accommodate Phase II wireless technology has prevented wireless carriers and PSAPs from proceeding with timely deployments. Although recent Commission action promises to overcome many of the barriers to future implementation, the LEC

delays to date have disrupted Phase II implementation activities. Second, the wireless telecommunications industry has suffered a significant downturn. Sprint reported a net loss of 78,000 customers for the third quarter of 2002.<sup>2</sup> This downturn in business has impacted the sale of handsets and the popularity of higher cost GPS handsets. GPS penetration rates have not met expectations. While 48% of handsets sold to distribution outlets during the third quarter were GPS enabled, only 22% of activations were GPS enabled. The high percentage of GPS handsets sold to customers and distribution outlets, however, virtually guarantees that the percentage of GPS handset "activations" will soon increase.

### A. LEC and PSAP Preparedness

As Sprint has explained in previous filings, one of the critical issues facing Phase II deployment is the readiness of ALI databases to be able retrieve Phases II location information. The Commission acknowledged in its *Richardson Order* that migration from Phase I to Phase II "requires an additional upgrade to the ALI database so that it will query the Mobile Positioning Center ("MPC") at the appropriate time to acquire the Phase II latitude/longitude data." Although the Commission declined to mandate the implementation of an E2 interface specified in industry standards, it did recognize the need for ALI upgrades to perform this function, and it expected LEC cooperation in this critical effort.

<sup>&</sup>lt;sup>1</sup> See Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, Request for Waiver by Sprint Spectrum L.P. d/b/a Sprint, 16 FCC Rcd 18330 (2001)("Sprint Waiver Order").

<sup>&</sup>lt;sup>2</sup> In contrast, Sprint added 347,000 customers in the second quarter of 2002.

<sup>&</sup>lt;sup>3</sup> See Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, Petition of City of Richardson Texas, Order, 16 FCC Rcd 18982, 18987 ¶ 17 (Oct. 17, 2001)("Richardson Order").

Sprint began contacting various ALI providers in February of 2001. At that time, Sprint was unable to obtain any information regarding when or where these upgrades would be completed. In July 2001, Sprint advised the Commission:

Sprint has made extensive inquiries into LEC readiness. Unfortunately, Sprint is alarmed to learn that LECs have not taken the steps necessary to support Phase II wireless services and do not appear ready to proceed with those upgrades.<sup>4</sup>

Sprint specifically "urged the FCC to initiate an immediate inquiry into LEC preparedness to ensure that existing ALI databases are being upgraded." As Sprint advised the Commission:

Early publication of ALI database conversions schedules would enable both PSAPs and carriers to commence realistic implementation planning and resource allocation, and PSAPs, armed with this knowledge, could begin challenging conversion dates that they believe are unreasonable.<sup>6</sup>

Approximately a year later, on July 29, 2002, the Commission ordered the LEC ALI database providers to file with the Commission a report on the status of their ALI database upgrades. These reports were filed on August 28, 2002, and, as expected, demonstrated that the LECs had not completed the steps necessary to provide Phase II services. Some LECs were still in the process of installing equipment and other LECs indicated that service would not be implemented until tariffs or other special contracts had been executed. The majority did not anticipate providing service before the fall of this year.

Sprint's deployment schedule, and the Commission's Waiver Order, were premised on the assumption that PSAPs and LECs would be ready to implement Phase II service when the

<sup>&</sup>lt;sup>4</sup> Sprint Supplemental Phase II Implementation Report, CC Docket No. 94-102, at 24 (July 30, 2001).

<sup>&</sup>lt;sup>5</sup> *Id.* at 26. *See also* Sprint Reply Comments, CC Docket No. 94-102, at 15-16 (Sept. 4, 2001)(Sprint advises FCC of BellSouth announcement that it will not offer a Phase II solution because of "certain regulatory issues" with Sprint asking the FCC to "require all E911 network operators to disclose their Phase II conversion plans market by market."); Sprint Reconsideration/Clarification Petition, CC Docket No. 94-102, at 7 (Nov. 30, 2001)(FCC should "require LECs maintaining ALI databases to publish their Phase II upgrade schedules.").

service was requested, or at a minimum, that the PSAP and LEC would be ready within six months of the request. The LECs are now a year behind schedule, however, and accordingly these deployment schedules will not be met. Sprint cannot compress a twelve-month deployment schedule into two months. Accordingly, Sprint cannot deploy all PSAP requests it has received as of June 30, 2002, by December 31, 2002, and these PSAP requests must remain in pending status, for now. As previously advised, however, Sprint will continue to move forward with deployment activities with all requesting PSAPs.

Commission rules specify that a PSAP's Phase II request is valid only if "it is capable of receiving and utilizing the data elements associated with the service." A PSAP whose ALI database is not Phase II compatible is incapable of receiving Phase II location information. In recognition of this essential fact and precondition, the Sprint Waiver Order also conditioned the conversion schedule on receipt of "valid" PSAP requests. Sprint advises the Commission that requests from PSAPs whose LECs did not upgrade their ALI databases within six months of the PSAP's request must be considered invalid on the grounds that they are not capable of receiving and using the Phase II information that Sprint is capable of generating. However, Sprint fully intends to continue Phase II deployment efforts with *all* requesting PSAPs, notwithstanding this fact. It is not Sprint's desire, and it is not in Sprint's interest, to delay these deployments. Sprint will continue to hold these requests and will schedule their deployment as soon as the PSAP's ALI provider makes their respective system accessible, and PSAP readiness is achieved.

<sup>&</sup>lt;sup>6</sup> Sprint Reconsideration/Clarification Petition, CC Docket No. 94-102, at 7 (Nov. 30, 2001).

<sup>&</sup>lt;sup>7</sup> 47 C.F.R. § 20.18(j).

#### **B.** Handset Penetration

The unexpected and dramatic downturn in the wireless market made a substantial impact on handset sales in the third quarter of this year. During the second quarter of 2002, 24% of handset activations and 28% of handset sales were GPS enabled. Based upon these numbers, Sprint was optimistic that it would meet the Commission's 25% benchmark for July 31, 2002, during the third quarter. Unfortunately, the market shift undermined this assumption. More expensive GPS enabled handsets were less popular in the third quarter. Although 48% of total handset sales to distribution outlets were GPS enabled, and despite the fact that Sprint added six new GPS enabled models to its handset lineup, only 22% of activations were GPS enabled. As a result of these developments, Sprint now forecasts that it will not meet the FCC's December 31, 2002, benchmark of 100% GPS activations. The activation trend appears to be rising, however, and Sprint will continue to aggressively promote GPS handset activations.

Despite these temporary set backs, Sprint is proud of what it has accomplished to date in the area of E911 deployment. Sprint continues to launch Phase I and Phase II systems across the country and has aggressively addressed problems and roadblocks as they have arisen. These accomplishments required cooperation among many necessary parties. Successful E911 deployment efforts will require further cooperative efforts between all parties.

<sup>&</sup>lt;sup>8</sup> See Waiver Order at ¶¶ 1, 38.

<sup>&</sup>lt;sup>9</sup> The second quarter ended on June 30, 2002. Because the benchmark date established by the Commission does not correspond with the standard business quarters, the quarterly handset results reported herein encompass the July 31, 2002 benchmark date. As noted below, the method by which compliance with the July 25 benchmark is to be calculated is somewhat ambiguous within the Waiver Order.

## II. CURRENT STATUS OF PHASE I AND II REQUESTS

The *Sprint Waiver Order* specified that this Sprint report "must include information on all pending Phase I and Phase II requests." Sprint provides this information below.

#### A. Phase I Status

Sprint has worked cooperatively with PSAPs across the country to deploy Phase I (cell site/sector location) E911 services. It has accommodated Phase I requests regardless of PSAP technology choices and has utilized CAS, NCAS and Hybrid CAS/NCAS (*i.e.*, LEC) solutions. As of November 1, 2002, Sprint is providing Phase I E911 services in 1,611 PSAP jurisdictions, which represents the addition of 107 Phase I systems.<sup>11</sup> A list of the deployed Phase I systems is attached as Appendix A.

There are 778 PSAPs in the Phase I implementation process. This number represents PSAPs that have made a Phase I request and serve geographic areas covered by Sprint. Of these pending Phase I requests, 135 have been pending for less than six months, and Appendix B lists these PSAPs. Appendix C lists the 159 PSAPs that have been in the implementation process for more than six months. Appendix D lists the 484 PSAP requests that have been placed on hold as a result of PSAP action. The reasons that Phase I was not implemented within six months varies by PSAP, but the parties involved are working cooperatively to resolve them.

An important component of E911 implementation is open communication with the PSAPs, and Sprint has attempted to keep PSAPs informed of its efforts and status. To Sprint's knowledge, there are no pending complaints against the Company where the installation process

 $<sup>^{10}</sup>$  Sprint Waiver Order at  $\P$  28.

<sup>&</sup>lt;sup>11</sup> In comparing PSAP boundaries with political jurisdictions, Sprint has discovered that some confusion exists in the manner in which PSAPs are counted. Sprint has attempted to apply uniform criteria to the manner in which these PSAPs are counted. This number reflects a downward revision in the manner in which PSAPs are counted.

was not completed within six months. The Received Date listed in Appendix C indicates the date that Sprint first received the PSAP request, even if the PSAP did not at that time meet the prerequisites of Rule 20.18. Sprint's objective is to deploy Phase I with as many PSAPs as possible. Sprint has not segregated those requests that meet the prerequisites contained in Rule 20.18, but has attempted to move forward on all requests. At the Commission's request, Sprint will provide additional information with respect to specific deployment and PSAP circumstances presented in each case.

In analyzing the deployment of Phase I services, Sprint has attempted to categorize the reasons for delays into primary "root causes." The "Primary Issues which Created Delay" column in Appendix C identifies these causes of delay. As reflected by the anticipated start dates, many of the root causes have been resolved and the implementation process for these requests is moving forward. As previously advised, the delay root causes generally fall into the following categories:

- PSAP Approval of Call Routing/PSAP Boundary Issues/MSAG Issues. Many of the pending PSAP requests fall into the primary root cause of "PSAP approval of call routing." This is the most important step in the Phase I implementation process. Sprint must receive concurrence from the PSAP of the geographic area that the PSAP will serve. Sprint provides each PSAP with a coverage map, including cell and sector coverage. Additionally, Sprint provides each PSAP with a spreadsheet that identifies cell and sector information. Before E911 service can be implemented, however, the PSAP must verify which cell sectors it will serve. All PSAPs in a given geographic area must agree on the appropriate cell and sector from which each will accept calls. This is often a politically impacted decision by the PSAPs in identifying and concurring in cell site coverage and jurisdiction boundary issues. Additionally, the PSAP must provide the proper Master Street Address Guide ("MSAG") street address for the cell site. The time within which these routing decisions and boundary clarifications are made is beyond Sprint' control. Sprint proactively contacts the PSAP if the PSAP does not provide the approval within a reasonable amount of time.
- <u>Stand-alone ALI Databases</u>. Some of the PSAPs are served by ALI databases known
  as stand-alone ALI systems ("SALI"). These SALI databases are not connected to a
  national ALI network infrastructure, and are thus incapable of receiving information
  dynamically. A PSAP that has been utilizing a SALI must initiate ALI connectivity

provisioning which creates additional coordination, planning, provisioning, cost identification and cost recovery activities that generally do not fit within a definable timeline. These additional activities are generally within the control of the PSAP.

- Requests Put On Hold. Implementation of some PSAPs is on hold because the PSAP is not ready to move forward. In some cases, the PSAP issued its request before it had developed the necessary plan for Phase I implementation or was simply not ready for Phase I. Sprint has chosen to keep these files active in order to be in position to support the PSAPs when it decides to move forward or has taken the necessary steps to implement Phase I.
- <u>LEC Issues.</u> In some cases, the LEC did not have enough capacity in its selective router to install the 911 trunking from the wireless carrier. This required that the LEC upgrade its system to accommodate the trunking requirements. In other cases, the existing 911 network did not support SS7 signaling so that Sprint was required to install different trunks. Additionally, Sprint has at times experienced delays in obtaining the necessary psuedo-ANIs from the LEC so that they could be used for routing and ALI query purposes.

Sprint and its primary Phase I vendor, Intrado, have worked diligently to move the Phase I implementation process forward. Jointly with PSAPs, we have identified and addressed issues in a manner that exemplifies the good faith efforts that all involved parties must display to successfully deploy Phase I E911 services. Sprint will continue its Phase I deployment activities.

#### B. Phase II Status

Sprint continues to proceed with Phase II deployment as rapidly as possible. As detailed below, Sprint continues to sell GPS handsets at an increasing rate, although activation rates have not risen as quickly as originally anticipated. Sprint has now sold in excess of 3.2 million GPS enabled phones. Sprint has completed installation of its Lucent and Nortel switch software upgrades, both ahead of schedule. Sprint has installed the necessary location calculating and routing national platforms (MPC and PDE). Sprint has completed its first market application testing for both Nortel and Lucent. Sprint has launched live Phase II service in five markets with three additional markets nearing completion.

As identified above, however, LEC delays have affected the validity of certain PSAP requests and will prevent Sprint from meeting its projected timeline previously filed with the Commission. Requests from PSAPs prior to June 30, 2002 for areas served by SBC, BellSouth and Qwest must now be considered invalid, and in pending status. Although Sprint must treat these requests as invalid under the Commission's rules, Sprint would like to deploy service to these PSAPs as soon as possible, and Sprint will not require the PSAP to issue a second request for service. Once the ALI provider has made the necessary upgrades and permits the transmission of Phase II data, and PSAP readiness is achieved, Sprint will be able to complete work on these Phase II requests.

Although it is not Sprint's responsibility to ensure that ALI database providers complete their upgrades, and the company cannot compel action by third parties, Sprint has repeatedly pushed for completion of this work. Despite Sprint's warnings last year, the Commission delayed action on Sprint's request for LEC publication of their ALI database conversion schedules. It is now too late to correct this problem in time to meet the December 31, 2002 Phase II deployment schedule. It is not possible for Sprint to compress an entire year's implementation schedule into one or two months – even if SBC, BellSouth and Qwest were to complete Phase II upgrades to their ALI databases and complete their cost recovery filings this month.

Through October 25, 2002, Sprint has received 232 Phase II requests from jurisdictional authorities representing 1,100 PSAPs.<sup>12</sup> Attached as Appendix E is a list of Phase II requests. Sprint has not attempted to segregate these requests as to whether they are valid or not under the *Richardson Order*, and has moved forward in implementation efforts with all requesting PSAPs. To confirm, however, where a PSAP has made a Phase II request, and the ALI provider has not

<sup>&</sup>lt;sup>12</sup> Again, the number of PSAPs has been downwardly revised for purposes of consistency.

upgraded its ALI database, or prohibits the use of that ALI database contingent upon tariff approval, the PSAP is unable to receive or utilize Phase II information. As Sprint has noted in previous filings, a PSAP will be unable to receive Phase II data unless the necessary ALI and CPE upgrades have been performed.<sup>13</sup>

### a. Individual PSAP Deployments

Sprint has launched Phase II E911 service in five markets representing 73 PSAPs.<sup>14</sup> Launch has been completed in Rhode Island, St. Claire County, Illinois, Bond County, Illinois, Lake County, Indiana and Delaware County, Pennsylvania. Testing in Harris County, Texas revealed certain unexpected technical problems, but these are being corrected and service is expected to be launched in that region soon. In addition, Johnston County, North Carolina and Peoria, Illinois are in the final stages of Phase II implementation. Testing of those systems is expected to commence soon.

As previously detailed in its Second Quarterly Report, Sprint's original implementation schedule has been disrupted by the failure of LECs and a few PSAPs to have their systems ready at the appropriate time. Most notably, SBC, Qwest and BellSouth have failed to timely upgrade their systems to accommodate Phase II service or have refused to permit further deployments until they have filed tariffs with their respective state commissions and such tariffs have been approved and/or special agreements have been negotiated. Because Sprint has no means of knowing when these actions will occur, Sprint cannot schedule deployments on Phase II requests

<sup>&</sup>lt;sup>13</sup> See Sprint Reply Comments in Support of its Petition for Reconsideration and Clarification, CC Docket No. 94-102 (Jan. 28, 2002).

<sup>&</sup>lt;sup>14</sup> In its August 1, 2002, Quarterly Report, Sprint reported the Phase II launch of 83 PSAPs in the body of its report and 67 PSAPs in the appendix to its report. This discrepancy was the result of confusion over the method of determining the number of PSAPs. The more appropriate number was that included in the appendix to the report. Accordingly, launch of 73 PSAPs shows a net addition of six Phase II PSAPs.

in those areas of the country served by these carriers. The current status of Phase II upgrades for each of these carriers, to the extent Sprint has been able to obtain information, is set forth below:

Qwest. In February 2002, during a Washington State Wireless 911 meeting, Qwest advised the attendees that it would not be upgrading its ALIs to support the required E2 type pull interface. Qwest then changed course, notifying Sprint in mid-May that it had decided to move forward with the implementation of an E2 type interface. The required software upgrade was scheduled to be available to Qwest in June. In subsequent discussions, Qwest has indicated that it would not be technically capable of supporting Phase II until late August or early September. On August 28, 2002, Qwest reported to the FCC that it planned to have service by mid-September.

Qwest has also advised, however, that it would be necessary for it to have approved tariffs or special contracts with the PSAPs before Qwest would permit Phase II deployment. Sprint is aware of only one tariff filing made by Qwest. This tariff filing was made in Colorado and reflects an effective date of November 21, 2002. Qwest has provided no further information or timeline regarding when the tariffs will be filed or the special contracts executed.

BellSouth. As reflected in numerous *ex parte* filings over the past several months, Sprint, Verizon Wireless, and BellSouth have been engaged in lengthy discussions regarding the proper method of proceeding with Phase II implementation. On October 28, 2002, the Wireless Telecommunications Bureau issued a letter affirming the respective cost obligations of the wireless carriers and PSAPs. Sprint is optimistic that this letter will resolve the outstanding issues between the parties and that Phase II implementation can begin in BellSouth territories in the near future.

SBC. In its August 28, 2002 filing, SBC indicated that it would be ready to proceed on or about October 1, 2002. Like Qwest and BellSouth, however, SBC indicated that tariffs must be approved and filed *before* it would permit wireless service providers to begin implementation. Sprint understands that SBC has filed tariffs in Illinois, Texas, California, Indiana and Ohio, but does not know their effective dates. A tariff filed in Michigan has apparently been challenged in court by certain PSAPs.

Other Major ALI Database Providers. Two local exchange carriers – Verizon and the Sprint LECs – have agreed to move forward without further delay. Accordingly, as a part of Exhibit D, attached is a schedule for implementation of PSAPs served by these ALI providers.

#### b. Lucent markets

Sprint completed installation of switch software upgrades in all of its Lucent markets on March 6, 2002, almost three months in advance of the Commission's May 30, 2002 deadline.

#### c. Nortel markets

Sprint completed installation of switch software upgrades in all of its Nortel markets on June 14, 2002, over a month and a half in advance of the Commission's August 1, 2002 deadline.

#### III. CURRENT HANDSET SALES

The *Sprint Waiver Order* specified that this Sprint report "must also include information on current handset models being activated or sold that are GPS-capable and important events effecting location-capable handset penetration levels, such as introduction of new handset models." <sup>15</sup>

<sup>&</sup>lt;sup>15</sup> Sprint Waiver Order at  $\P$  28.

Sprint introduced six new GPS enabled models to its handset lineup during the third quarter of 2002 for a total of ten GPS enabled handset models. The number of GPS enabled handset sales to distribution outlets increased from 28% of sales to 48% of sales. As of the end of third quarter of 2002, Sprint had sold over 3.2 million GPS-enabled handsets. Unfortunately, the activation rate for the third quarter did not rise as expected. While 24% of activations in the second quarter were GPS enabled, customers purchased fewer of the more expensive GPS enabled handsets in the third quarter. GPS activations represented 22% of total activations for the third quarter.

While the cause of this decline in activations cannot be fully explained, it is apparent that customers during the period prior to Sprint's Vision (or "3G") launch chose to purchase less expensive 2G phones over the comparatively more expensive 2G/GPS enabled phones. This is expected to be a short-term aberration, however. As reflected in the sales numbers above, Sprint is heavily loading its product line-up with GPS handsets.

#### IV. COMPLIANCE WITH OUTSTANDING BENCHMARKS

The Sprint Waiver Order specified that this Sprint report "must also contain statements regarding whether Sprint SPC has met each deployment benchmark and, if not, the reasons for its failure to comply." <sup>16</sup>

Sprint has met all benchmarks passed, to date, with the possible exception of the July 31, 2002 25% handset penetration mark.<sup>17</sup> As described above, the downturn in the market and the economy shopping of customers caused activations of GPS enabled handsets to dip in the third

<sup>&</sup>lt;sup>16</sup> Sprint Waiver Order at ¶ 28.

<sup>&</sup>lt;sup>17</sup> The Commission's Waiver Order discusses the manner in which compliance with this date is to be calculated. At least one interpretation of the Order is that compliance should be determined based upon the

quarter. Although extremely close to the benchmark (22%-24%), Sprint acknowledges that it did not meet the 25% activation benchmark during the third quarter – although during that period nearly 50% of handsets sent to distribution outlets were GPS enabled. Sprint has met all other benchmarks to date. Specifically, it has begun selling GPS handsets by October 1, 2001. Sprint completed its network upgrades to its Lucent and Nortel switches well before the Commission deadlines of May 30, 2002 and August 1, 2002.

The *Sprint Waiver Order* also directed Sprint to provide a statement regarding the accuracy milestone. The rules provide that handset-based location solutions must provide the location of wireless 911 calls with an accuracy of 50 meters for 67 percent of calls and 150 meters for 95 percent of calls.<sup>19</sup> Measurements taken from its current operating systems indicates that Sprint is meeting the Commission's accuracy requirements.

#### V. AFFIDAVIT REQUIREMENT

The *Sprint Waiver Order* specifies that Sprint "must support each Quarterly Report with an affidavit, from an officer or director of Sprint, attesting to the trust and accuracy of the report." Appendix F is the conforming Declaration of Dennis G. Huber, Senior Vice President – Operations, Sprint.

percentage of GPS enabled handsets sold between July 31, 2002 through December 30, 2002. See Waiver Order, ¶28. Under this interpretation, Sprint expects to meet the benchmark by a large margin.

<sup>&</sup>lt;sup>18</sup> But see n. 17 supra.

<sup>&</sup>lt;sup>19</sup> 47 C.F.R. § 20.18(h)(2).

<sup>&</sup>lt;sup>20</sup> Sprint Waiver Order at  $\P$  28.

#### VI. LIKELIHOOD OF FAILURE

The *Sprint Waiver Order* specifies that "to the extent Sprint anticipates that it will fail to satisfy any one of the conditions, it must advise the Commission of the problem." As reported above, there remain two conditions outstanding:

A. <u>Handset sales</u>. The *Waiver Order* specifies that by December 31, 2002, 100% of all new handsets sold must be GPS capable. Based upon third quarter sales results and the dramatic shift in the market, Sprint does not anticipate meeting this deadline for the reasons discussed above. Under current conditions, it appears that the 100% milestone will not be met, at best, until the end of the first quarter of 2003. Sprint continues to aggressively promote the sale of GPS enabled handsets as reflected in the large numbers of GPS models currently in the Sprint handset lineup, and the large number of GPS handsets sold, to date.

B. <u>Phase II PSAP conversion schedule</u>. Sprint is ready to commence Phase II conversions with PSAPs located in any of its markets nationwide, but it is prevented from completing this work because of PSAP delays in obtaining necessary CPE, or more often, because the LEC has not upgraded its ALI database. As a result, and as discussed in detail above, Sprint will not be able to complete by the end of this year all Phase II requests received by June 30, 2002. *See* discussion *infra* at pages 12 through 16 regarding pending status and validity of these requests under FCC Rule 20.18 and the Sprint Waiver Order.

<sup>&</sup>lt;sup>21</sup> Sprint Waiver Order at  $\P$  28.

#### VII. CONCLUSION

Sprint remains committed to E911 deployment efforts. Through this report, Sprint provides the Commission with updated information concerning its activities in this important area.

Respectfully submitted,

SPRINT CORPORATION on behalf of SPRINT SPECTRUM L.P., d/b/a Sprint PCS

Luisa L. Lancetti

Vice President, PCS Regulatory Affairs 401 9<sup>th</sup> Street, N.W., Suite 400 Washington, D.C. 20004 202-585-1923

Charles W. McKee General Attorney Sprint Corporation 6450 Sprint Parkway Mail Stop: KSOPHIO414-4A325 Overland Park, KS 66251 913-315-9098

November 1, 2002